



## County of Los Angeles CHIEF EXECUTIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION  
LOS ANGELES, CALIFORNIA 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA  
Chief Executive Officer

May 20, 2008

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**DEPARTMENT OF HEALTH SERVICES: AGREEMENT AMENDMENTS  
FOR PROPOSITION A DIETARY SERVICES AND  
NON-PROPOSITION A CONCESSION CAFETERIA SERVICES  
(SUPERVISORIAL DISTRICTS 2, 4, AND 5)  
(4 VOTES)**

**SUBJECT**

To request Board approval of Agreement Amendments for Proposition A dietary services and non-Prop A concession cafeteria services at various Department of Health Services (DHS) facilities to extend the Agreements for six months effective July 1, 2008 through December 31, 2008 to allow completion of a solicitation process for successor agreements.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve and authorize the Chair of the Board to sign the attached Proposition A (Prop A) Amendment No. 10 to Agreement No. 70295 with Morrison Management Specialists, Inc., dba Morrison Health Care, Inc. (Morrison) for the continued provision of dietary services at Harbor-UCLA Medical Center (HUCLA), for six months effective July 1, 2008 through December 31, 2008, for a total cost of \$2,554,873.
2. Approve and authorize the Chair of the Board to sign the attached Prop A Amendment No. 10 to Agreement No. 70294 with Morrison for the continued provision of dietary services at Martin Luther King, Jr. Multi-Service Ambulatory Care Center (MLK MACC), including services to the August Hawkins facility for six months effective July 1, 2008 through December 31, 2008, for a total cost of \$712,360.

Board of Supervisors  
GLORIA MOLINA  
First District

YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

3. Approve and authorize the Chair of the Board to sign the attached Prop A Amendment No. 11 to Agreement No. 70694 with Morrison for the continued provision of dietary and concession cafeteria services at Olive View-UCLA Medical Center (OVUCLA) for six months effective July 1, 2008 through December 31, 2008, for a total cost of \$2,039,763.
4. Approve and authorize the Chair of the Board to sign the attached Prop A Amendment No. 11 to Agreement No. 68444 with Sodexho, LLC (Sodexho) for the continued provision of dietary and concession cafeteria services at Rancho Los Amigos National Rehabilitation Center (RLANRC) for six months effective July 1, 2008 through December 31, 2008, for a total cost of \$2,136,868.
5. Approve and instruct the Director of Health Services (Director) to sign the attached non-Prop A Amendment No. 11 to Agreement No. H-211094 with Morrison, for the continued provision of public cafeteria services at HUCLA, for six months effective July 1, 2008 through December 31, 2008, with an estimated revenue of \$39,000.
6. Approve and instruct the Chair of the Board to sign the attached Prop A Amendment No. 5 to Agreement 73378 with Morrison, for the continued provision of dietary (clinical nutrition) and public cafeteria services at High Desert Health System (HDHS), for six months effective July 1, 2008 through December 31, 2008, for an estimated cost of \$75,989.
7. Delegate authority to the Director to extend services on a month-to-month basis for an additional six month period effective January 1, 2009 through June 30, 2009 without any further action required.
8. Delegate authority to the Director to increase the maximum obligation at MLK MACC not to exceed ten percent or \$71,236 for additional services as necessary.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS**

Approval of the recommended actions will allow for the continued provision of dietary services at HUCLA (Exhibit I), MLK MACC (Exhibit II); dietary and concession services at OVUCLA (Exhibit III) and RLANRC (Exhibit IV); public cafeteria services at HUCLA (Exhibit V); and dietary (clinical nutrition) and public cafeteria services at HDHS (Exhibit VI). The current Agreements expire June 30, 2008.

Honorable Board of Supervisors  
May 20, 2008  
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On February 22, 2008 your Board was notified that DHS had completed the proposal evaluation process for the Request for Proposals (RFP) for dietary and public cafeteria services at HUCLA, OVUCLA, MLK MACC (dietary only) and RLANRC. In anticipation of the Treasurer and Tax Collector's issuance of commercial paper for health capital projects related to these facilities, the Chief Executive Office and outside tax counsel reviewed the proposed dietary contract(s) and determined there are contract terms that are not in compliance with Internal Revenue Service Regulations related to tax exempt financing projects. County Counsel advised DHS that the contract issues identified by outside counsel were material enough to impact the RFP scope as well as the submitted proposals.

After discussions with County Counsel, DHS cancelled the RFP and will reissue it by July 2008. In addition to resolving the tax exempt financing issues, this action provides an opportunity to bring the RFP current with Living Wage requirements and update DHS' dietary needs due to the closure of Martin Luther King, Jr./Drew Medical Center (MLK) and expansion of medical services at RLANRC.

It should be noted that the recommended action will also provide an opportunity for the Department to address the Board's instruction of March 25, 2008, to review and report back to your Board regarding the consolidation of dietary services in County hospitals into a single RFP to leverage economies of scale and pricing.

DHS has been contracting for dietary services under provisions of County Code 2.121.250 et seq., "Contracting with Private Businesses" (Prop A), since October 1984. Dietary services are an integral part of the legitimate activities which must be provided by a hospital to perform its health care functions. Contracting under Prop A guidelines continues to be cost effective and operationally feasible for the provision of dietary services. Concession cafeteria services are contracted under the authority of Government Code Section 25536.

#### **FISCAL IMPACT/FINANCING**

The cost for each facility is as follows: \$2,554,873 for HUCLA, \$75,989 for HDHS, \$712,360 for MLK MACC, \$2,039,763 for OVUCLA, and \$2,136,868 for RLANRC, effective July 1, 2008 through December 31, 2008 for a total amount of \$7,519,853. Estimated revenue at HUCLA is \$39,000 for the six month extension period. Funding is included in DHS Fiscal Year 2008-09 Proposed Budget and will be requested in future fiscal years.

The cost for dietary services at HUCLA, HDHS, MLK MACC, and OVUCLA have increased as a result of a three percent cost of living adjustment (COLA) for food and supplies,

consistent with the Board's policy. The cost for HDHS has also been increased as a result of the Living Wage. These contracts have not received a COLA for food and supplies since 2006. Any increase under the delegated authority will be funded within existing resources.

#### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

##### **HUCLA and MLK MACC**

On September 3, 1996, your Board approved Agreements with Morrison to provide dietary services at MLK/Drew Medical Center and HUCLA effective September 1, 1996 through February 29, 2004. Subsequently, your Board approved additional Amendments to extend the term through June 30, 2008, and services were reduced following the closure of the hospital. MLK MACC's dietary services include services to the Augustus Hawkins facility, volunteers and other incidental meals related to patient care.

Delegated authority to increase the budget by 10 percent may be needed if additional dietary services are required should programs be expanded at the facility.

##### **HDHS**

On August 27, 1997, your Board approved an Agreement with Morrison for the provision of dietary services at HDHS through August 12, 2002. On April 2, 2000, Morrison terminated the Agreement effective August 12, 2000. HDHS entered into a Purchase Order Agreement with Morrison until a provider could be selected through a competitive bid process. On May 29, 2001, your Board approved an Agreement with Morrison for the continued provision of dietary services at HDHS through June 30, 2006. Subsequent amendments were approved that reduced the scope of work from hospital dietary services to the service level needed for a Multi-Service Ambulatory Care Center (MACC) and extended the services through June 30, 2008. Since High Desert's conversion to a MACC, the Prop A component of dietary services is strictly for clinical nutrition services for patients. A half-time clinical nutritionist provides nutritional assessments, counseling and nutritional education services for patients and families within the health care system.

##### **OVUCLA**

On May 13, 1997, your Board approved an Agreement with Morrison to provide dietary and concession cafeteria services at OVUCLA, effective June 1, 1997 through November 30, 2002. Subsequently, your Board approved additional Amendments to extend the term through June 30, 2008.



Honorable Board of Supervisors  
May 20, 2008  
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## RLANRC

On July 18, 1995, your Board approved an Agreement with Sodexho to provide dietary and concession cafeteria services at RLANRC, effective August 1, 1995 through January 31, 2003. Subsequently, your Board approved additional Amendments to extend the term through June 30, 2008.

## CONCESSION CAFETERIA SERVICES AT HUCLA

On May 9, 2000, your Board approved a revenue concession Agreement with Morrison for the provision of concession cafeteria services at HUCLA through February 29, 2004. Subsequently, your Board approved additional Amendments to extend the term through June 30, 2008.

The recommended amendments extend the current Agreements for six months for the continuation of services while DHS conducts the re-release of the RFP. A month-to-month extension for up to six months through June 30, 2009 may be needed to complete the RFP.

Contract monitoring functions are performed by administrative staff at each facility. The amendments for HUCLA and HDHS include the most recent Board approved increase to the living wage.

All the dietary and concession cafeteria contracts have the current language and the contractors are in compliance with the Living Wage Program.

County Counsel has approved these amendments (Exhibits I, II, III, IV, V and VI) as to form.

## **CONTRACTING PROCESS**

DHS is anticipating the re-release of the RFP for Dietary and Concession Cafeteria Services at HUCLA, HDHS, MLK MACC (dietary services only), OVUCLA and RLANRC by July 2008. The RFP should be completed by the expiration of these amendments.

## **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Board approval will allow for the continued provision of dietary and concession cafeteria services at HUCLA, HDHS, MLK MACC, OVUCLA and RLANRC.

Honorable Board of Supervisors  
May 20, 2008  
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**CONCLUSION**

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,



WILLIAM T FUJIOKA  
Chief Executive Officer

WTF:SRH:SAS  
MLM:DH:yb

Attachments (6)

c: County Counsel  
Interim Director, Department of Health Services

052008\_DHS\_CAFETERIA

Contract No. 70295-10

**DIETARY SERVICES AGREEMENT  
HARBOR-UCLA MEDICAL CENTER**

**AMENDMENT NO. 10**

THIS AMENDMENT is made and entered into this 20<sup>TH</sup> day  
of MAY, 2008,

by and between the

COUNTY OF LOS ANGELES  
(hereafter "County")

and

MORRISON MANAGEMENT  
SPECIALISTS INC., dba  
MORRISON HEALTH CARE, INC.  
(hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled "DIETARY SERVICES AGREEMENT", dated September 3, 1996, and further identified as County Agreement No. 70295, and extension letter dated August 30, 2003, and any Amendments thereto (hereafter referred to as "Agreement"); and

WHEREAS, it is the intent of the parties to amend Agreement to extend its term and to make the changes described hereinafter; and

WHEREAS, said Agreement provides that changes may be made in the form of a written amendment which is formally approved and executed by the parties.

NOW, THEREFORE, the parties hereby agree as follows:

1. This Amendment shall become effective July 1, 2008 and remain in effect through December 31, 2008. The Agreement may be extended on a month-to-month basis through June 30, 2009, without any further action required.

18 of MAY 20 2008

70295 Supplement No. 10



IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its Chair and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.



ATTEST:

SACHI A. HAMAI

Executive Officer of the Board of Supervisors of the County of Los Angeles

By: [Signature]  
Deputy

APPROVED AS TO FORM  
BY THE OFFICE OF THE COUNTY COUNSEL:

By: [Signature]  
County Counsel

APPROVED AS TO CONTRACT  
ADMINISTRATION:

Department of Health Services

By: [Signature]  
Cara O'Neill, Chief  
Contracts and Grants Division

HARBORAMEND10  
03/20/08.amb

COUNTY OF LOS ANGELES

By: [Signature]  
Chair, Board of Supervisors

MORRISON MANAGEMENT SPECIALISTS,  
INC., dba MORRISON HEALTH CARE,  
INC.

Contractor

By: [Signature]  
Title: [Signature]

I hereby certify that pursuant to  
Section 25103 of the Government Code,  
delivery of this document has been made.

SACHI A. HAMAI  
Executive Officer  
Clerk of the Board of Directors

By: [Signature]  
Deputy

**ADOPTED**  
BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

18

MAY 20 2008

[Signature]  
SACHI A. HAMAI  
EXECUTIVE OFFICER

SCHEDULE 11

**HARBOR-UCLA MEDICAL CENTER  
MORRISON MANAGEMENT SPECIALISTS, INC. DBA  
MORRISON HEALTH CARE, INC.  
DIETARY CONTRACT**

**CONTRACTOR'S BUDGET AND COUNTY'S CHARGE SCHEDULE  
July 1, 2008 to December 31, 2008  
SIX MONTH BUDGET**

To deliver 47,001 - 52,000 meals per month

Labor Costs: Management and Clinical Labor	\$667,637
Labor Costs: Hourly staff	\$879,999

Food Costs	\$484,998
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Materials; services and supplies	\$151,379
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Equipment Costs	\$15,757
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Utilities	\$500
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Management Fee and Administrative Costs	\$198,024
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Sales Tax Liability	\$73,947
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<b>A. Contractor's Six Month Budget</b>	<b>\$2,472,241</b>
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B. Special Function Meals	\$32,500
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C. Incidental Supplies	\$7,800
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D. Linen	\$6,332
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E. Tube Feedings	\$36,000
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<b>F. Contractors Total Six-Month Budget</b>	<b>\$2,554,873</b>
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Basic Monthly Charge	\$412,040
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Incremental meal credits for meals provided below 47,001	-\$1.97
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Incremental meal fee for meals provided above 52,001	\$1.97
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Contract No. 70294-10

**DIETARY SERVICES AGREEMENT  
MARTIN LUTHER KING, JR. MULTI-SERVICE AMBULATORY CARE CENTER**

**AMENDMENT NO. 10**

THIS AMENDMENT is made and entered into this 20<sup>TH</sup> day  
of MAY, 2008,

by and between the

COUNTY OF LOS ANGELES  
(hereafter "County")

and

MORRISON MANAGEMENT  
SPECIALISTS INC., dba  
MORRISON HEALTH CARE, INC.  
(hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled "DIETARY SERVICES AGREEMENT", dated September 3, 1996, and further identified as County Agreement No. 70294, and extension letter dated August 20, 2003, and any Amendments thereto (hereafter referred to as "Agreement"); and

WHEREAS, it is the intent of the parties to amend Agreement to extend its term and to make the changes described hereinafter; and

WHEREAS, said Agreement provides that changes may be made in the form of a written amendment which is formally approved and executed by both parties.

NOW, THEREFORE, the parties hereby agree as follows:

1. This Amendment shall become effective July 1, 2008 and remain in effect through December 31, 2008. The Agreement may be extended on a month-to-month basis through June 30, 2009, without any further action required.

18 of MAY 20 2008

70294  
Supplement No. 10





IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its Chair and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.



ATTEST:

SACHI A. HAMAI

Executive Officer of the Board of Supervisors of the County of Los Angeles

By: \_\_\_\_\_

Deputy

APPROVED AS TO FORM  
BY THE OFFICE OF THE COUNTY COUNSEL:

By: \_\_\_\_\_

County Counsel

APPROVED AS TO CONTRACT  
ADMINISTRATION:

Department of Health Services

By: \_\_\_\_\_

Cara O'Neill, Chief  
Contracts and Grants Division

AmendKing10:amb  
03/20/08

COUNTY OF LOS ANGELES

By: \_\_\_\_\_

Chair, Board of Supervisors

MORRISON MANAGEMENT SPECIALISTS,  
INC., dba MORRISON HEALTH CARE,  
INC.

Contractor

By: \_\_\_\_\_

Title: \_\_\_\_\_

I hereby certify that pursuant to  
Section 25103 of the Government Code,  
delivery of this document has been made.

SACHI A. HAMAI  
Executive Officer  
Clerk of the Board of Directors

By: \_\_\_\_\_

Deputy

**ADOPTED**  
BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

18

MAY 20 2008

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

**SCHEDULE 11**

**MARTIN LUTHER KING, JR. M.A.C.C.  
MORRISON MANAGEMENT SPECIALISTS, INC. DBA  
MORRISON HEALTH CARE, INC.  
DIETARY CONTRACT**

**CONTRACTOR'S BUDGET AND COUNTY'S CHARGE SCHEDULE  
July 1, 2008 to December 31, 2008  
SIX MONTH BUDGET**

To Deliver 4,000 - 5,000 meals per month

Labor Costs	\$504,370
Food Costs	\$77,321
Materials; services and supplies	\$52,543
Equipment purchase/lease & service contracts	\$3,789
Utilities	\$1,470
Management Fee & Administrative Costs	\$50,340
Sales Tax Liability	\$2,510
<b>A. Contractor's Six Month Budget Schedule</b>	<b>\$692,344</b>
B. Special Function Meals	\$15,600
C. Incidental Supplies	\$4,416
<b>D. Contractor's Total Six-Month Budget Schedule</b>	<b>\$712,360</b>
Basic Monthly Charge	\$115,391
Incremental Meal Credit for monthly meals below 4,000	\$2.17

Contract No. 70694-11

**DIETARY SERVICES AGREEMENT  
OLIVE VIEW/UCLA MEDICAL CENTER**

**AMENDMENT NO. 11**

THIS AMENDMENT is made and entered into this 20<sup>TH</sup> day  
of MAY, 2008,

by and between the

COUNTY OF LOS ANGELES  
(hereafter "County")

and

MORRISON MANAGEMENT  
SPECIALISTS INC., dba  
MORRISON HEALTH CARE, INC.  
(hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled "AGREEMENT FOR DIETARY SERVICES AT OLIVE-VIEW/UCLA MEDICAL CENTER", dated May 13, 1997, and further identified as County Agreement No. 70694, an extension letter dated February 21, 2002, and any Amendments thereto (hereafter referred to as "Agreement"); and

WHEREAS, it is the intent of the parties to amend Agreement to extend its term and to make the changes described hereinafter; and

WHEREAS, said Agreement provides that changes may be made in the form of a written amendment which is formally approved and executed by both parties.

NOW, THEREFORE, the parties hereby agree as follows:

1. This Amendment shall become effective July 1, 2008 and remain in effect through December 31, 2008. The Agreement may be extended on

70694 Supplement No. 10

2. Exhibit B-9 shall be replaced with Exhibit B-10, attached to this Amendment and incorporated in Agreement as reference.
3. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

/ / / / / / / / / / / /

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its Chair and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.



ATTEST:

SACHI A. HAMAI  
Executive Officer of the  
Board of Supervisors of the  
County of Los Angeles

By: [Signature]  
Deputy

APPROVED AS TO FORM  
BY THE OFFICE OF THE COUNTY COUNSEL:

By: [Signature]  
County Counsel

APPROVED AS TO CONTRACT  
ADMINISTRATION:

Department of Health Services  
By: [Signature]  
Cara O'Neill, Chief  
Contracts and Grants Division

OVMCAME#11.amb  
03/20/08

COUNTY OF LOS ANGELES

By: [Signature]  
Chair, Board of Supervisors

MORRISON MANAGEMENT SPECIALISTS,  
INC., dba MORRISON HEALTH CARE,  
INC.

Contractor  
By: [Signature]  
Title: [Signature]

I hereby certify that pursuant to  
Section 25103 of the Government Code,  
delivery of this document has been made.

SACHI A. HAMAI  
Executive Officer  
Clerk of the Board of Directors

By: [Signature]  
Deputy

**ADOPTED**  
BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

18

MAY 20 2008

[Signature]  
SACHI A. HAMAI  
EXECUTIVE OFFICER



**OLIVE VIEW-UCLA MEDICAL CENTER  
MORRISON MANAGEMENT SPECIALISTS, INC. DBA  
DBA MORRISON HEALTH CARE, INC.  
DIETARY CONTRACT**

**CONTRACTOR'S BUDGET AND COUNTY'S CHARGE SCHEDULE  
July 1, 2008 to December 31, 2008  
SIX MONTH BUDGET**

To Deliver 24,000 - 30,000 Meals Per Month

Labor Costs: Mgmt and Clinical Staff Labor	\$350,512
Labor Costs: Hourly staff	\$875,200
Raw Food Costs	\$518,852
Materials, Services and Supplies	\$117,787
Total Equipment Cost	\$2,290
Utilities	\$520
Maintenance	\$6,184
G&A and Management Fee	\$130,994
Subtotal	\$2,002,339
Sales Tax Liability	\$17,424
<b>A. Contractor's Six-Month Budget Schedule</b>	<b>\$2,019,763</b>
B. Special Function Meals	\$12,500
C. Incidental Food and Supplies	\$4,000
D. Patient Tube Feeding Products	\$3,500
<b>E. Contractor's Total Contract Six-Month Budget</b>	<b>\$2,039,763</b>
Basic Monthly Charge	\$336,627
Incremental meal credits for meals provided below 24,000	-\$1.85
Incremental meal fee for meals provided above 30,000	\$1.85

Contract No. 68444-11

**DIETARY SERVICES AGREEMENT  
RANCHO LOS AMIGOS NATIONAL REHABILITATION CENTER**

**AMENDMENT NO. 11**

THIS AMENDMENT is made and entered into this 20<sup>TH</sup> day  
of MAY, 2008,

by and between the

COUNTY OF LOS ANGELES  
(hereafter "County")

and

SODEXHO OPERATIONS, LLC.  
(hereafter "Contractor")

WHEREAS, reference is made to that certain document entitled AGREEMENT FOR DIETARY SERVICES AT RANCHO LOS AMIGOS MEDICAL CENTER", dated July 18, 1995, and further identified as County Agreement No. 68444, and extension letter dated February 21, 2002, and any Amendments thereto (hereafter referred to as "Agreement"); and

WHEREAS, it is the intent of the parties to amend Agreement to extend its term and to make the changes described hereinafter; and

WHEREAS, said Agreement provides that changes may be made in the form of a written amendment which is formally approved and executed by the parties.

NOW, THEREFORE, the parties hereby agree as follows:

1. This Amendment shall become effective July 1, 2008 and remain in effect through December 31, 2008. The Agreement may be extended on

18 of MAY 20 2008

68444 Supplement No. 10

a month-to-month basis through June 30, 2009, without any further action required.

2. Schedule 11 shall be replaced with Schedule 12, attached to this Amendment and incorporated in Agreement as reference.
3. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

[illegible]



IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its Chair and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.



ATTEST:  
SACHI A. HAMAI  
Executive Officer of the  
Board of Supervisors

By: [Signature]  
Deputy

APPROVED AS TO FORM  
BY THE OFFICE OF THE COUNTY COUNSEL:

By: [Signature]  
County Counsel

APPROVED AS TO CONTRACT  
ADMINISTRATION:

Department of Health Services

By: [Signature]  
Cara O'Neill, Chief  
Contracts and Grants Division

RANCHOAMEND11  
03/20/08.amb

COUNTY OF LOS ANGELES

By: [Signature]  
Chair, Board of Supervisors

SODEXHO OPERATIONS, LLC  
Contractor

By: [Signature]  
Title: EXECUTIVE VICE PRESIDENT

I hereby certify that pursuant to  
Section 25103 of the Government Code,  
delivery of this document has been made.

SACHI A. HAMAI  
Executive Officer  
Clerk of the Board of Directors

By: [Signature]  
Deputy

**ADOPTED**  
BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

18 MAY 20 2008

[Signature]  
SACHI A. HAMAI  
EXECUTIVE OFFICER

68444

Supplement No.

10

## SCHEDULE 12

### CONTRACTOR'S BUDGET AND COUNTY'S CHARGE SCHEDULE

#### Contractor's Six-Month Budget

(July 1, 2008 through December 31, 2008) to Deliver 38,001 - 44,000 Meals Per Calendar Month

Labor Costs	\$1,063,930
Living Wage Adjustment	\$ 73,243
Six-Month Total	\$1,137,173
Raw Food Costs	\$ 629,880
Materials; Services and Supplies	\$ 114,235
Equipment, Maintenance and Repair Costs	\$ 9,552
Other Expenses	\$ 131,620
Sales Tax Liability	\$ 3,504
 A. Contractor's Six-Month Budget (July 1, 2008 - December 31, 2008):	 \$2,025,964
 BASIC MONTHLY CHARGE	 \$ 337,661
 B. Special Function Meals	 \$ 47,232
Incidental Supplies	\$ 8,772
Tube Feedings	\$ 54,900
 Total Six-Month Budget Extension	 \$2,136,868
 Incremental Meal Credit	 -2.09
 Incremental Meal Fee	 2.09

Contract No. H-211094-11

**PUBLIC CAFETERIA CONCESSION SERVICES  
AGREEMENT AT HARBOR-UCLA MEDICAL CENTER**

**AMENDMENT NO. 11**

THIS AMENDMENT is made and entered into this \_\_\_\_\_ day  
of \_\_\_\_\_, 2008,

by and between the

COUNTY OF LOS ANGELES  
(hereafter "County")

and

MORRISON MANAGEMENT  
SPECIALISTS INC., dba  
MORRISON HEALTH CARE, INC.  
(hereafter "Concessionaire").

WHEREAS, reference is made to that certain document entitled "PUBLIC CAFETERIA CONCESSION SERVICES AGREEMENT AT HARBOR-UCLA MEDICAL CENTER", dated May 9, 2000, and further identified as County Agreement No. H-211094, and any Amendments thereto (hereafter referred to as "Agreement"); and

WHEREAS, it is the intent of the parties to amend Agreement to extend its term and to make the changes described hereinafter; and

WHEREAS, said Agreement provides that changes may be made in the form of a written amendment which is formally approved and executed by both parties.

NOW, THEREFORE, the parties hereby agree as follows:

1. This Amendment shall become effective July 1, 2008 and remain in effect through December 31, 2008. The Agreement may be extended on a month-to-month basis through June 30, 2009 without any further action required.

2. Exhibit I of the body of the Agreement shall be replaced with Exhibit I-1, attached herein as reference.
3. Exhibits M and N shall be added to Agreement, attached herein as reference.
4. Paragraph 41, COMPLIANCE WITH LIVING WAGE PROGRAM, of the body of the Agreement, be revised as follows:

“41. COMPLIANCE WITH LIVING WAGE PROGRAM:

**41.1 Living Wage Program:**

This Agreement is subject to the provisions of the County's ordinance entitled Living Wage Program as codified in Sections 2.201.010 through 2.201.100 of the Los Angeles County Code, a copy of which is attached as Exhibit I-1 and incorporated by reference into and made a part of this Agreement.

**41.2 Payment of Living Wage Rates.**

1. Unless Contractor has demonstrated to the County's satisfaction either that Contractor is not an "Employer" as defined under the Program (Section 2.201.020 of the County Code) or that Contractor qualifies for an exception to the Living Wage Program (Section 2.201.090 of the County Code), Contractor shall pay its Employees no less than the applicable hourly living wage rate, a set forth immediately below, for the Employees' services provided to County, including, without limitation, "Travel Time" as defined below at subsection 5 of this Subparagraph under the Agreement:

- a. Not less than \$11.84 per hour if, in addition to the per-hour wage, Contractor contributes less than \$2.20 per hour towards the provision of bona fide health care benefits for its Employees and any dependents; or
- b. Not less than \$9.64 per hour if, in addition to the per-hour wage, Contractor contributes at least \$2.20 per hour towards the provision of bona fide health care benefits for its Employees and any dependents. Contractor will be deemed

to have contributed \$2.20 per hour towards the provision of bona fide health care benefits if the benefits are provided through the County Department of Health Services Community Health Plan. If, at any time during the Agreement, Contractor contributes less than \$2.20 per hour towards the provision of bona fide health care benefits, Contractor shall be required to pay its Employees the higher hourly living wage rate.

2. For purposes of this sub-paragraph, "Contractor" includes any subcontractor engaged by Contractor to perform services for County under the Agreement. If Contractor uses any subcontractor to perform services for County under the Agreement, the subcontractor shall be subject to the provisions of this sub-paragraph. The provisions of this sub-paragraph shall be inserted into any such subcontract and a copy of the Living Wage Program shall be attached to the subcontract. "Employee" means any individual who is an employee of Contractor under the laws of California, and who is providing full-time services to Contractor, some or all of which are provided to County under the Agreement. "Full-time" means a minimum of 40 hours worked per week, or a lesser number of hours, if the lesser number is a recognized industry standard and is approved as such by County; however, fewer than 35 hours worked per week will not, in any event, be considered full-time.
3. If Contractor is required to pay a living wage when the Agreement commences, Contractor shall continue to pay a living wage for the entire term of the Agreement, including any option period.
4. If Contractor is not required to pay a living wage when the

Agreement commences, Contractor shall have a continuing obligation to review the applicability of its "exemption status" from the living wage requirement. Contractor shall immediately notify County if Contractor at any time either comes within the Living Wage Program's definition of "Employer" or if Contractor no longer qualifies for an exception to the Living Wage Program. In either event, Contractor shall immediately be required to commence paying the living wage and shall be obligated to pay the living wage for the remaining term of the Agreement, including any option period. County may also require, at any time during the Agreement and at its sole discretion, that Contractor demonstrate to the County's satisfaction that Contractor either continues to remain outside of the Living Wage Program's definition of "Employer" and/or that Contractor continues to qualify for an exception to the Living Wage Program. Unless Contractor satisfies this requirement within the time frame permitted by County, Contractor shall immediately be required to pay the living wage for the remaining term of the Agreement, including any option period.

5. For purposes of the Contractor's obligation to pay its Employees the applicable hourly living wage rate under this Agreement, "Travel Time" shall have the following two meanings, as applicable: 1) With respect to travel by an Employee that is undertaken in connection with this Agreement, Travel Time shall mean any period during which an Employee physically travels to or from a County facility if Contractor pays the Employee any amount for that time or if California law requires Contractor to pay the Employee any amount for that time; and 2) With respect to travel by an Employee between County facilities that are subject to two different Agreements between Contractor and

County (of which both Agreements are subject to the Living Wage Program), Travel Time shall mean any period during which an Employee physically travels to or from, or between such County facilities if Contractor pays the Employee any amount for that time or if California law requires Contractor to pay the Employee any amount for that time.

**41.3 Contractor's Submittal of Certified Monitoring Reports.**

Contractor shall submit to County certified monitoring reports at a frequency instructed by County. The certified monitoring reports shall list all of the Contractor's Employees during the reporting period. The certified monitoring reports shall also verify the number of hours worked, the hourly wage rate paid, and the amount paid by Contractor for health benefits, if any, for each of its Employees. The certified monitoring reports shall also state the name and identification number of the Contractor's current health care benefits plan, and the Contractor's portion of the premiums paid as well as the portion paid by each Employee. All certified monitoring reports shall be submitted on forms provided by County (Exhibit M and Exhibit N), or other form approved by County which contains the above information. County reserves the right to request any additional information it may deem necessary. If County requests additional information, Contractor shall promptly provide such information. Contractor, through one of its officers, shall certify under penalty of perjury that the information contained in each certified monitoring report is true and accurate.

**41.4 Contractor's Ongoing Obligation to Report Labor Law/ Payroll Violations and Claims**

During the term of the Agreement, if Contractor becomes aware of any labor law/payroll violation or any complaint, investigation or

proceeding ("claim") concerning any alleged labor law/payroll violation (including but not limited to any violation or claim pertaining to wages, hours and working conditions such as minimum wage, prevailing wage, living wage, the Fair Labor Standards Act, employment of minors, or unlawful employment discrimination), Contractor shall immediately inform County of any pertinent facts known by Contractor regarding same. This disclosure obligation is not limited to any labor law/payroll violation or claim arising out of the Contractor's Agreement with County, but instead applies to any labor law/payroll violation or claim arising out of any of the Contractor's operations in California.

**41.5 County Auditing of Contractor Records.**

Upon a minimum of twenty-four (24) hours' written notice, County may audit, at the Contractor's place of business, any of the Contractor's records pertaining to the Agreement, including all documents and information relating to the certified monitoring reports. Contractor is required to maintain all such records in California until the expiration of four (4) years from the date of final payment under the Agreement. Authorized agents of County shall have access to all such records during normal business hours for the entire period that records are to be maintained.

**41.6 Notifications to Employees.**

Contractor shall place County-provided living wage posters at each of the Contractor's places of business and locations where the Contractor's Employees are working. Contractor shall also distribute County-provided notices to each of its Employees at least once per year. Contractor shall translate posters and handouts into Spanish and any other language spoken by a significant number of Employees.



**41.7 Enforcement and Remedies.**

If Contractor fails to comply with the requirements of this sub-paragraph, County shall have the rights and remedies described in this sub-paragraph in addition to any rights and remedies provided by law or equity.

1. Remedies for Submission of Late or Incomplete Certified Monitoring Reports. If Contractor submits a certified monitoring report to County after the date it is due or if the report submitted does not contain all of the required information or is inaccurate or is not properly certified, any such deficiency shall constitute a breach of the Agreement. In the event of any such breach, County may, in its sole discretion, exercise any or all of the following rights/remedies:

a. Withholding of Payment. If Contractor fails to submit accurate, complete, timely and properly certified monitoring reports, County may withhold from payment to Contractor up to the full amount of any invoice that would otherwise be due, until Contractor has satisfied the concerns of County, which may include required submittal of revised certified monitoring reports or additional supporting documentation.

b. Liquidated Damages. It is mutually understood and agreed that the Contractor's failure to submit an accurate, complete, timely and properly certified monitoring report will result in damages being sustained by County. It is also understood and agreed that the nature and amount of the damages will be extremely difficult and impractical to fix; that the liquidated damages set forth herein are the nearest and most exact measure of damages for such breach that can be fixed at this time; and that the liquidated damages are not intended

as a penalty or forfeiture for the Contractor's breach. Therefore, in the event that a certified monitoring report is deficient, including but not limited to being late, inaccurate, incomplete or uncertified, it is agreed that County may, in its sole discretion, assess against Contractor liquidated damages in the amount of \$100 per monitoring report for each day until County has been provided with a properly prepared, complete and certified monitoring report. County may deduct any assessed liquidated damages from any payments otherwise due Contractor.

- c. Termination. The Contractor's continued failure to submit accurate, complete, timely and properly certified monitoring reports may constitute a material breach of the Agreement. In the event of such material breach, County may, in its sole discretion, terminate the Agreement.

- 2. Remedies for Payment of Less Than the Required Living Wage. If Contractor fails to pay any Employee at least the applicable hourly living wage rate, such deficiency shall constitute a breach of the Agreement. In the event of any such breach, County may, in its sole discretion, exercise any or all of the following rights/remedies:

- a. Withholding Payment. If Contractor fails to pay one or more of its Employees at least the applicable hourly living wage rate, County may withhold from any payment otherwise due Contractor the aggregate difference between the living wage amounts Contractor was required to pay its Employees for a given pay period and the amount actually paid to the employees for that pay period. County may withhold said amount until Contractor has satisfied County that any underpayment has been cured, which may include required

submittal of revised certified monitoring reports or additional supporting documentation.

- b. Liquidated Damages. It is mutually understood and agreed that the Contractor's failure to pay any of its Employees at least the applicable hourly living wage rate will result in damages being sustained by County. It is also understood and agreed that the nature and amount of the damages will be extremely difficult and impractical to fix; that the liquidated damages set forth herein are the nearest and most exact measure of damages for such breach that can be fixed at this time; and that the liquidated damages are not intended as a penalty or forfeiture for the Contractor's breach. Therefore, it is agreed that County may, in its sole discretion, assess against Contractor liquidated damages of \$50 per Employee per day for each and every instance of an underpayment to an Employee. County may deduct any assessed liquidated damages from any payments otherwise due Contractor.
  - c. Termination. The Contractor's continued failure to pay any of its Employees the applicable hourly living wage rate may constitute a material breach of the Agreement. In the event of such material breach, County may, in its sole discretion, terminate the Agreement.
3. Debarment. In the event Contractor breaches a requirement of this sub-paragraph, County may, in its sole discretion, bar Contractor from the award of future County Agreements for a period of time consistent with the seriousness of the breach, in accordance with Los Angeles County Code, Chapter 2.202, Determinations of Contractor Non-Responsibility and Contractor Debarment.

**41.8 Use of Full-Time Employees.**

Contractor shall assign and use full-time Employees of Contractor can demonstrate to the satisfaction of County that it is necessary to use non-full-time Employees based on staffing efficiency or County requirements for the work to be performed under the Agreement. It is understood and agreed that Contractor shall not, under any circumstance, use non-full-time Employees for services provided under the Agreement unless and until County has provided written authorization for the use of same. Contractor submitted with its proposal a full-time Employee staffing plan. If Contractor changes its full-time Employee staffing plan, Contractor shall immediately provide a copy of the new staffing plan to County.

**41.9 Contractor Retaliation Prohibited.**

Contractor and/or its Employees shall not take any adverse action which would result in the loss of any benefit of employment, any Agreement benefit, or any statutory benefit for any Employee, person or entity who has reported a violation of the Living Wage Program to County or to any other public or private agency, entity or person. A violation of the provisions of this sub-paragraph may constitute a material breach of the Agreement. In the event of such material breach, County may, in its sole discretion, terminate the Agreement.

**41.10 Contractor Standards.**

During the term of the Agreement, Contractor shall maintain business stability, integrity in employee relations and the financial ability to pay a living wage to its employees. If requested to do so by County, Contractor shall demonstrate to

the satisfaction of County that Contractor is complying with this requirement.

**41.11 Neutrality in Labor Relations**

Contractor shall not use any consideration received under the Agreement to hinder, or to further, organization of, or collective bargaining activities by or on behalf of the Contractor's employees, except that this restriction shall not apply to any expenditure made in the course of good faith collective bargaining, or to any expenditure pursuant to obligations incurred under a bona fide collective bargaining Agreement, or which would otherwise be permitted under the provisions of the National Labor Relations Act.

5. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its Director of Health Services and Concessionaire has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By: \_\_\_\_\_  
Bruce A. Chernof, M.D.  
Director and Chief Medical Officer

MORRISON MANAGEMENT  
SPECIALISTS, INC., dba MORRISON  
HEALTH CARE, INC.

Contractor

By:   
Title: AVP

APPROVED AS TO FORM  
BY THE OFFICE OF THE COUNTY COUNSEL:

By: \_\_\_\_\_  
County Counsel

APPROVED AS TO CONTRACT  
ADMINISTRATION:

Department of Health Services

By: \_\_\_\_\_  
Cara O'Neill, Chief  
Contracts and Grants Division

HARBORCONCESSION11.amb  
03/20/08

Title 2 ADMINISTRATION  
Chapter 2.201 LIVING WAGE PROGRAM

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**2.201.010 Findings.**

The board of supervisors finds that the county of Los Angeles is the principal provider of social and health services within the county, especially to persons who are compelled to turn to the county for such services. Employers' failure to pay a living wage to their employees causes them to use such services thereby placing an additional burden on the county of Los Angeles. (Ord. 2007-0011 § 1, 2007: Ord. 99-0048 § 1 (part), 1999.)

**2.201.020 Definitions.**

The general definitions contained in Chapter 2.02 shall be applicable to this chapter unless inconsistent with the following definitions:

A. "County" includes the county of Los Angeles, any county officer or body, any county department head, and any county employee authorized to enter into a Proposition A contract or a cafeteria services contract with an employer.

B. "Employee" means any individual who is an employee of an employer under the laws of California, and who is providing full time services to an employer, some or all of which are provided to the county of Los Angeles under a Proposition A contract, or under a cafeteria services contract at a county of Los Angeles owned or leased facility.

C. "Employer" means:

1. An individual or entity who has a contract with the county:

a. For services which is required to be more economical or feasible under Section 44.7 of the Charter of the county of Los Angeles, and is not listed as an excluded contract in Section 2.121.250 B of the Los Angeles County Code, referred to in this chapter as a "Proposition A contract," or

b. For cafeteria services, referred to in this chapter as a "cafeteria services contract," and

c. Who has received or will receive an aggregate sum of \$25,000.00 or more in any 12 month period under one or more Proposition A contracts and/or one or more cafeteria services contracts; or

2. An individual or entity that enters into a subcontract with an employer, as defined in subsection C1 and who employs employees to provide services under the employer's contract with the county.

D. "Full time" means a minimum 40 hours worked per week, or a lesser number of hours, if the lesser number is a recognized industry standard and is approved as such by the chief administrative officer, but in no event less than 35 hours worked per week.

E. "Proposition A contract" means a contract governed by Title 2, Section 2.121.250 et seq. of this code, entitled Contracting with Private Business. (Ord. 2007-0011 § 2, 2007: Ord. 99-0048 § 1 (part), 1999.)

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Chapter 2.201 LIVING WAGE PROGRAM

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**2.201.030 Prospective effect.**

This chapter shall be applicable to Proposition A contracts and cafeteria services contracts and their amendments the terms of which commence three months or more after the effective date of this chapter.\* It shall not be applicable to Proposition A contracts or cafeteria services contracts or their amendments in effect before this chapter becomes applicable. (Ord. 99-0048 § 1 (part), 1999.)

\* **Editor's note:** Ordinance 99-0048, which enacted Ch. 2.201, is effective on July 22, 1999.

**2.201.040 Payment of living wage.**

A. Employers shall pay employees a living wage for their services provided to the county of no less than the hourly rates set under this chapter. The rates shall be \$9.64 per hour with health benefits, or \$11.84 per hour without health benefits.

B. To qualify for the living wage rate with health benefits, an employer shall pay at least \$2.20 per hour towards the provision of bona fide health care benefits for each employee and any dependents during the term of a Proposition A contract or a cafeteria services contract. Proof of the provision of such benefits must be submitted to the county for evaluation during the procurement process to qualify for the lower living wage rate in subsection A of this section. Employers who provide health care benefits to employees through the county department of health services community health plan are deemed to have qualified for the lower living wage rate in subsection A of this section.

C. The board of supervisors may, from time to time, adjust the amounts specified in subsections A and B of this section, above for future contracts. Any adjustments to the living wage rate specified in subsections A and B that are adopted by the board of supervisors shall be applicable to Proposition A contracts and cafeteria services contracts and their amendments which become effective three months or more after the effective date of the ordinance that adjusts the living wage rate. (Ord. 2007-0011 § 3, 2007; Ord. 99-0048 § 1 (part), 1999.)

**2.201.050 Other provisions.**

A. Full Time Employees. An employer shall assign and use full time employees to provide services under a Proposition A contract or a cafeteria services contract, unless the employer can demonstrate to the county the necessity to use non-full time employees based on staffing efficiency or the county requirements of an individual job.

B. Neutrality in Labor Relations. An employer shall not use any consideration received under a Proposition A contract or a cafeteria services contract to hinder, or to further, organization of, or collective bargaining activities by or on behalf of an employer's employees, except that this restriction shall not apply to any expenditure made in the course of good faith collective bargaining, or to any expenditure pursuant to obligations incurred under a bona fide collective bargaining agreement, or which would otherwise be permitted under the provisions of the National Labor Relations Act.

C. Administration. The chief administrative officer shall be responsible for the administration of this chapter. The chief administrative officer may, with the advice of county counsel, issue interpretations of the provisions of this chapter. The chief administrative officer in conjunction



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Chapter 2.201 LIVING WAGE PROGRAM

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with the affirmative action compliance officer shall issue written instructions on the implementation and on-going administration of this chapter. Such instructions may provide for the delegation of functions to other county departments.

D. Compliance Certification. An employer shall, during the term of a Proposition A contract, or a cafeteria services contract, report for each employee and certify the hours worked, wages paid, and amounts the employer paid for health benefits, and provide other information deemed relevant to the enforcement of this chapter by the county. Such reports shall be made at the times and in the manner set forth in instructions issued by the chief administrative officer in conjunction with the affirmative action compliance officer. The affirmative action compliance officer in conjunction with the chief administrative officer shall report annually to the board of supervisors on contractor compliance with the provisions of this chapter.

E. Contractor Standards. An employer shall demonstrate during the procurement process and for the duration of a Proposition A contract or a cafeteria services contract a history of business stability, integrity in employee relations, and the financial ability to pay a living wage. (Ord. 99-0048 § 1 (part), 1999.)

**2.201.060 Employer retaliation prohibited.**

No employer shall take an adverse action causing a loss of any benefit of employment, of any contract benefit, or any statutory benefit to any employee, person, or other entity, who has reported a violation of this chapter to the board of supervisors or to one or more of their offices, to the county chief administrative officer, or to the county auditor controller, or to the county department administering the Proposition A contract or cafeteria services contract. (Ord. 99-0048 § 1 (part), 1999.)

**2.201.070 Employee retention rights.**

In the event that any Proposition A contract or cafeteria service contract is terminated by the county prior to its expiration, any new contract with a subsequent employer for such services shall provide for the employment of the predecessor employer's employees as provided in this section.

A. A "retention employee" is an employee of a predecessor employer:

1. Who is not an exempt employee under the minimum wage and maximum hour exemptions defined in the federal Fair Labor Standards Act;
2. Who has been employed by an employer under a predecessor Proposition A contract or a predecessor cafeteria services contract for at least six months prior to the date of a new contract; and
3. Who is or will be terminated from his or her employment as a result of the county entering into a new contract.

B. Subsequent employers shall offer employment to all retention employees who are qualified for such jobs.

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C. A subsequent employer is not required to hire a retention employee who:

1. Has been convicted of a crime related to the job or his or her job performance; or
2. Fails to meet any other county requirement for employees of a contractor.

D. A subsequent employer may not terminate a retention employee for the first 90 days of employment under a new contract, except for cause. Thereafter a subsequent employer may retain a retention employee on the same terms and conditions as the subsequent employer's other employees. (Ord. 99-0048 § 1 (part), 1999.)

**2.201.080 Enforcement and remedies.**

For violation of any of the provisions of this chapter:

A. An employee may bring an action in the courts of the state of California for damages caused by an employer's violation of this chapter.

B. The county department head responsible for administering a Proposition A contract or a cafeteria services contract may do one or more of the following in accordance with such instructions as may be issued by the chief administrative officer:

1. Assess liquidated damages as provided in the contract; and/or
2. Recommend to the board of supervisors the termination of the contract; and/or
3. Recommend to the board of supervisors that an employer be barred from award of future county contracts for a period of time consistent with the seriousness of the employer's violation of this chapter, in accordance with Section 2.202.040 of this code. (Ord. 2007-0011 § 4, 2007; Ord. 99-0048 § 1 (part), 1999.)

**2.201.090 Exceptions.**

A. Other Laws. This chapter shall not be interpreted or applied to any employer or to any employee in a manner inconsistent with United States or California laws.

B. Collective Bargaining Agreements. Any provision of this chapter shall be superseded by a collective bargaining agreement that expressly so provides.

C. This chapter shall not be applied to any employer which is a nonprofit corporation qualified under Section 501(c)(3) of the Internal Revenue Code.

D. Small Businesses. This chapter shall not be applied to any employer which is a business entity organized for profit, including but not limited to any individual, partnership, corporation, joint venture, association or cooperative, which entity:

1. Is not an affiliate or subsidiary of a business dominant in its field of operation; and

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Chapter 2.201 LIVING WAGE PROGRAM

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2. Has 20 or fewer employees during the contract period, including full time and part time employees; and
3. Does not have annual gross revenues in the preceding fiscal year which if added to the annual amount of the contract awarded exceed \$1,000,000.00; or
4. If the business is a technical or professional service, does not have annual gross revenues in the preceding fiscal year which if added to the annual amount of the contract awarded exceed \$2,500,000.00.

"Dominant in its field of operation" means having more than 20 employees, including full time and part time employees, and more than \$1,000,000.00 in annual gross revenues or \$2,500,000.00 in annual gross revenues if a technical or professional service.

"Affiliate or subsidiary of a business dominant in its field of operation" means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation. (Ord. 99-0055 § 1, 1999; Ord. 99-0048 § 1 (part), 1999.)

**2.201.100 Severability.**

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. 99-0048 § 1 (part), 1999.)



COUNTY OF LOS ANGELES  
LIVING WAGE ORDINANCE  
MONTHLY CERTIFICATION FOR APPLICABLE HEALTH BENEFIT PAYMENTS

Instruction Box: Please complete all sections of this form.  
(Information to complete this form can be obtained from your  
weekly certified payroll reports. Submit this form with your  
Certified Payroll Reports to the awarding County department.  
Be sure to complete and sign the reverse side of this form  
before submitting.

(1) Name: Contractor <input type="checkbox"/> Subcontractor <input type="checkbox"/>		Address: (Street, City, State, Zip)		(5) For Month Ending: / /							
(2) Payroll No.:		(3) Work Location:		(4) From payroll period: / / to payroll period: / /							
(6) Department Name:		(8) Contract Name & Number:									
(9) Contractor Health Plan Name(s):		(10) Contractor Health Plan ID Number(s):									
(11) Employee Name, Address & Last 4 digits of SSN	(12) Work Classification	(13) Total Hours Worked Each Week of Monthly Pay Period			(14) Total Aggregate Hours	(15) Employer Paid Health Benefit Hourly Rate	(16) Gross Amount Paid (14x15)	(17) Employee Paid Health Benefit Hourly Rate	(18) Gross Amount Paid (16x17)	(19) Aggregate Health Benefits Paid (18+19)	
1		1	2	3	4	5					
2											
3											
4											
5											
I have reviewed the information in this report and as company owner or authorized agent for this company, I sign under penalty of perjury certifying that all information herein is complete and correct.		Total (This Page)			Total Grand Total (All Pages)						
Print Authorized Name:											
Authorized Signature:		Date: / /			Titles:			Telephone Number (include area code):			Page: of

**COUNTY OF LOS ANGELES  
LIVING WAGE PROGRAM**

**PAYROLL STATEMENT OF COMPLIANCE**

I, \_\_\_\_\_, \_\_\_\_\_  
(Name of Owner or Company Representative) (Title)

Do hereby state:

1. That I pay or supervise the payment of the persons employed by \_\_\_\_\_ on the \_\_\_\_\_;  
(Company or subcontractor Name) (Service, Building or Work Site)  
 that during the payroll period commencing on the \_\_\_\_\_ day of \_\_\_\_\_, and  
(Calendar day of Month) (Month and Year)  
 ending the \_\_\_\_\_ day of \_\_\_\_\_ all persons employed on said work site  
(Calendar day of Month) (Month and Year)  
 have been paid the full weekly wages earned, that no rebates have been or will be made either directly or indirectly to or on behalf of \_\_\_\_\_  
(Company Name)

from the full weekly wages earned by any person and that no deductions have been made either directly or indirectly from the full wages earned by any person, other than permissible deductions as defined in Regulations, Part 3 (29 CFR Subtitle A), issued by the Secretary of Labor under the Copeland Act, as amended (48 Stat. 948, 63 Stat. 108, 72 Stat. 357; 40 U.S.C. 276c), and described below:


2. That any payrolls otherwise under this contract required to be submitted for the above period are correct and complete; that the wage rates for employees contained therein are not less than the applicable County of Los Angeles Living Wage rates contained in the contract.

3. That:

A. WHERE FRINGE (Health) BENEFITS ARE PAID TO APPROVED PLANS, FUNDS OR PROGRAMS

- ☐ In addition to the basic hourly wage rates paid to each employee listed in the above referenced payroll, payments of health benefits as required in the contract have been or will be paid to appropriate programs for the benefit of such employees.

B. WHERE FRINGE (Health) BENEFITS ARE PAID IN CASH

- ☐ Each employee listed in the above referenced payroll has been paid, as indicated on the payroll, an amount not less than the applicable amount of the required County of Los Angeles Living Wage hourly rate as listed in the contract.

I have reviewed the information in this report and as company owner or authorized agent for this company, I sign under penalty of perjury certifying that all information herein is complete and correct.

Print Name and Title

Owner or Company Representative Signature:

THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT THE CONTRACTOR OR SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION. IN ADDITION, THE CONTRACTOR OR SUBCONTRACTOR MAY BE SUSPENDED AND PRECLUDED FROM BIDDING ON OR PARTICIPATING IN ANY COUNTY CONTRACT OR PROJECT FOR A PERIOD OF THREE MONTHS.

2. Schedule 5 shall be replaced with Schedule 6, attached herein and incorporated herein as reference.
3. Exhibit H, shall be replaced with Exhibit H-1, attached herein as reference.
4. Exhibits L and M shall be added to Agreement, attached herein as reference.
5. Paragraph 70.0, COMPLIANCE WITH LIVING WAGE PROGRAM, of the body of the Agreement shall be revised as follows:

**"70.0 COMPLIANCE WITH LIVING WAGE PROGRAM:**

**70.1 Living Wage Program:**

This Agreement is subject to the provisions of the County's ordinance entitled Living Wage Program as codified in Sections 2.201.010 through 2.201.100 of the Los Angeles County Code, a copy of which is attached as Exhibit H-1 and incorporated by reference into and made a part of this Agreement.

**70.2 Payment of Living Wage Rates.**

1. Unless Contractor has demonstrated to the County's satisfaction either that Contractor is not an "Employer" as defined under the Program (Section 2.201.020 of the County Code) or that Contractor qualifies for an exception to the Living Wage Program (Section 2.201.090 of the County Code), Contractor shall pay its Employees no less than the applicable hourly living wage rate, a set forth immediately below, for the Employees' services provided to County, including, without limitation, "Travel Time" as defined below at subsection 5 of this Subparagraph under the Agreement:

- a. Not less than \$11.84 per hour if, in addition to the per-hour wage, Contractor contributes less than \$2.20 per hour towards the provision of bona fide health care benefits for its Employees and any dependents; or
- b. Not less than \$9.64 per hour if, in addition to the per-hour wage, Contractor contributes at least \$2.20 per hour towards

the provision of bona fide health care benefits for its Employees and any dependents. Contractor will be deemed to have contributed \$2.20 per hour towards the provision of bona fide health care benefits if the benefits are provided through the County Department of Health Services Community Health Plan. If, at any time during the Agreement, Contractor contributes less than \$2.20 per hour towards the provision of bona fide health care benefits, Contractor shall be required to pay its Employees the higher hourly living wage rate.

2. For purposes of this sub-paragraph, "Contractor" includes any subcontractor engaged by Contractor to perform services for County under the Agreement. If Contractor uses any subcontractor to perform services for County under the Agreement, the subcontractor shall be subject to the provisions of this sub-paragraph. The provisions of this sub-paragraph shall be inserted into any such subcontract and a copy of the Living Wage Program shall be attached to the subcontract. "Employee" means any individual who is an employee of Contractor under the laws of California, and who is providing full-time services to Contractor, some or all of which are provided to County under the Agreement. "Full-time" means a minimum of 40 hours worked per week, or a lesser number of hours, if the lesser number is a recognized industry standard and is approved as such by County; however, fewer than 35 hours worked per week will not, in any event, be considered full-time.
3. If Contractor is required to pay a living wage when the Agreement commences, Contractor shall continue to pay a

Contract No. 73378-5

**DIETARY SERVICES AGREEMENT  
HIGH DESERT HEALTH SYSTEM**

**AMENDMENT NO. 5**

THIS AMENDMENT is made and entered into this 20<sup>TH</sup> day  
of MAY, 2008,

by and between the

COUNTY OF LOS ANGELES  
(hereafter "County")

and

MORRISON MANAGEMENT  
SPECIALISTS INC., dba  
MORRISON HEALTH CARE, INC.  
(hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled "AGREEMENT FOR DIETARY SERVICES", dated May 29, 2001, and further identified as County Agreement No. 73378, and any Amendments thereto (all hereafter referred to as "Agreement"); and

WHEREAS, it is the intent of the parties to amend Agreement to extend its term and to make the changes described hereinafter; and

WHEREAS, Agreement provides that changes may be made in the form of a written amendment which is formally approved and executed by the parties.

NOW, THEREFORE, the parties hereby agree as follows:

1. This Amendment shall become effective July 1, 2008 and remain in effect through December 31, 2008. The Agreement may be extended on a month-to-month basis through June 30, 2009, without any further action required.

18 of MAY 20 2008

73378

Supplement No.

3



living wage for the entire term of the Agreement, including any option period.

4. If Contractor is not required to pay a living wage when the Agreement commences, Contractor shall have a continuing obligation to review the applicability of its "exemption status" from the living wage requirement. Contractor shall immediately notify County if Contractor at any time either comes within the Living Wage Program's definition of "Employer" or if Contractor no longer qualifies for an exception to the Living Wage Program. In either event, Contractor shall immediately be required to commence paying the living wage and shall be obligated to pay the living wage for the remaining term of the Agreement, including any option period. County may also require, at any time during the Agreement and at its sole discretion, that Contractor demonstrate to the County's satisfaction that Contractor either continues to remain outside of the Living Wage Program's definition of "Employer" and/or that Contractor continues to qualify for an exception to the Living Wage Program. Unless Contractor satisfies this requirement within the time frame permitted by County, Contractor shall immediately be required to pay the living wage for the remaining term of the Agreement, including any option period.
5. For purposes of the Contractor's obligation to pay its Employees the applicable hourly living wage rate under this Agreement, "Travel Time" shall have the following two meanings, as applicable: 1) With respect to travel by an Employee that is undertaken in connection with this Agreement, Travel Time shall mean any period during which an Employee physically travels to or from a County facility if Contractor pays the Employee any amount for that time or if California law requires Contractor to

pay the Employee any amount for that time; and 2) With respect to travel by an Employee between County facilities that are subject to two different Agreements between Contractor and County (of which both Agreements are subject to the Living Wage Program), Travel Time shall mean any period during which an Employee physically travels to or from, or between such County facilities if Contractor pays the Employee any amount for that time or if California law requires Contractor to pay the Employee any amount for that time.

**70.3 Contractor's Submittal of Certified Monitoring Reports.**

Contractor shall submit to County certified monitoring reports at a frequency instructed by County. The certified monitoring reports shall list all of the Contractor's Employees during the reporting period. The certified monitoring reports shall also verify the number of hours worked, the hourly wage rate paid, and the amount paid by Contractor for health benefits, if any, for each of its Employees. The certified monitoring reports shall also state the name and identification number of the Contractor's current health care benefits plan, and the Contractor's portion of the premiums paid as well as the portion paid by each Employee. All certified monitoring reports shall be submitted on forms provided by County (Exhibit L and M), or other form approved by County which contains the above information. County reserves the right to request any additional information it may deem necessary. If County requests additional information, Contractor shall promptly provide such information. Contractor, through one of its officers, shall certify under penalty of perjury that the information contained in each certified monitoring report is true and accurate.

**70.4 Contractor's Ongoing Obligation to Report Labor Law/  
Payroll Violations and Claims**

During the term of the Agreement, if Contractor becomes aware of any labor law/payroll violation or any complaint, investigation or proceeding ("claim") concerning any alleged labor law/payroll violation (including but not limited to any violation or claim pertaining to wages, hours and working conditions such as minimum wage, prevailing wage, living wage, the Fair Labor Standards Act, employment of minors, or unlawful employment discrimination), Contractor shall immediately inform County of any pertinent facts known by Contractor regarding same. This disclosure obligation is not limited to any labor law/payroll violation or claim arising out of the Contractor's Agreement with County, but instead applies to any labor law/payroll violation or claim arising out of any of the Contractor's operations in California.

**70.5 County Auditing of Contractor Records.**

Upon a minimum of twenty-four (24) hours' written notice, County may audit, at the Contractor's place of business, any of the Contractor's records pertaining to the Agreement, including all documents and information relating to the certified monitoring reports. Contractor is required to maintain all such records in California until the expiration of four (4) years from the date of final payment under the Agreement. Authorized agents of County shall have access to all such records during normal business hours for the entire period that records are to be maintained.

**70.6 Notifications to Employees.**

Contractor shall place County-provided living wage posters at each of the Contractor's places of business and locations where the Contractor's Employees are working. Contractor shall also

distribute County-provided notices to each of its Employees at least once per year. Contractor shall translate posters and handouts into Spanish and any other language spoken by a significant number of Employees.

**70.7 Enforcement and Remedies.**

If Contractor fails to comply with the requirements of this sub-paragraph, County shall have the rights and remedies described in this sub-paragraph in addition to any rights and remedies provided by law or equity.

1. Remedies for Submission of Late or Incomplete Certified Monitoring Reports. If Contractor submits a certified monitoring report to County after the date it is due or if the report submitted does not contain all of the required information or is inaccurate or is not properly certified, any such deficiency shall constitute a breach of the Agreement. In the event of any such breach, County may, in its sole discretion, exercise any or all of the following rights/remedies:
  - a. Withholding of Payment. If Contractor fails to submit accurate, complete, timely and properly certified monitoring reports, County may withhold from payment to Contractor up to the full amount of any invoice that would otherwise be due, until Contractor has satisfied the concerns of County, which may include required submittal of revised certified monitoring reports or additional supporting documentation.
  - b. Liquidated Damages. It is mutually understood and agreed that the Contractor's failure to submit an accurate, complete, timely and properly certified monitoring report will result in damages being sustained by County. It is also understood and agreed that the nature and amount of the damages will be extremely difficult and impractical to fix; that the liquidated

damages set forth herein are the nearest and most exact measure of damages for such breach that can be fixed at this time; and that the liquidated damages are not intended as a penalty or forfeiture for the Contractor's breach. Therefore, in the event that a certified monitoring report is deficient, including but not limited to being late, inaccurate, incomplete or uncertified, it is agreed that County may, in its sole discretion, assess against Contractor liquidated damages in the amount of \$100 per monitoring report for each day until County has been provided with a properly prepared, complete and certified monitoring report. County may deduct any assessed liquidated damages from any payments otherwise due Contractor.

- c. Termination. The Contractor's continued failure to submit accurate, complete, timely and properly certified monitoring reports may constitute a material breach of the Agreement. In the event of such material breach, County may, in its sole discretion, terminate the Agreement.

2. Remedies for Payment of Less Than the Required Living Wage. If Contractor fails to pay any Employee at least the applicable hourly living wage rate, such deficiency shall constitute a breach of the Agreement. In the event of any such breach, County may, in its sole discretion, exercise any or all of the following rights/remedies:

- a. Withholding Payment. If Contractor fails to pay one or more of its Employees at least the applicable hourly living wage rate, County may withhold from any payment otherwise due Contractor the aggregate difference between the living wage amounts Contractor was required to pay its Employees for a given pay period and the amount actually paid to the

employees for that pay period. County may withhold said amount until Contractor has satisfied County that any underpayment has been cured, which may include required submittal of revised certified monitoring reports or additional supporting documentation.

- b. Liquidated Damages. It is mutually understood and agreed that the Contractor's failure to pay any of its Employees at least the applicable hourly living wage rate will result in damages being sustained by County. It is also understood and agreed that the nature and amount of the damages will be extremely difficult and impractical to fix; that the liquidated damages set forth herein are the nearest and most exact measure of damages for such breach that can be fixed at this time; and that the liquidated damages are not intended as a penalty or forfeiture for the Contractor's breach. Therefore, it is agreed that County may, in its sole discretion, assess against Contractor liquidated damages of \$50 per Employee per day for each and every instance of an underpayment to an Employee. County may deduct any assessed liquidated damages from any payments otherwise due Contractor.
  - c. Termination. The Contractor's continued failure to pay any of its Employees the applicable hourly living wage rate may constitute a material breach of the Agreement. In the event of such material breach, County may, in its sole discretion, terminate the Agreement.
3. Debarment. In the event Contractor breaches a requirement of this sub-paragraph, County may, in its sole discretion, bar Contractor from the award of future County Agreements for a period of time consistent with the seriousness of the breach, in

accordance with Los Angeles County Code, Chapter 2.202, Determinations of Contractor Non-Responsibility and Contractor Debarment.

**70.8 Use of Full-Time Employees.**

Contractor shall assign and use full-time Employees of Contractor can demonstrate to the satisfaction of County that it is necessary to use non-full-time Employees based on staffing efficiency or County requirements for the work to be performed under the Agreement. It is understood and agreed that Contractor shall not, under any circumstance, use non-full-time Employees for services provided under the Agreement unless and until County has provided written authorization for the use of same. Contractor submitted with its proposal a full-time Employee staffing plan. If Contractor changes its full-time Employee staffing plan, Contractor shall immediately provide a copy of the new staffing plan to County.

**70.9 Contractor Retaliation Prohibited.**

Contractor and/or its Employees shall not take any adverse action which would result in the loss of any benefit of employment, any Agreement benefit, or any statutory benefit for any Employee, person or entity who has reported a violation of the Living Wage Program to County or to any other public or private agency, entity or person. A violation of the provisions of this sub-paragraph may constitute a material breach of the Agreement. In the event of such material breach, County may, in its sole discretion, terminate the Agreement.

**70.10 Contractor Standards.**

During the term of the Agreement, Contractor shall maintain business stability, integrity in employee relations and the

financial ability to pay a living wage to its employees. If requested to do so by County, Contractor shall demonstrate to the satisfaction of County that Contractor is complying with this requirement.

**70.11 Neutrality in Labor Relations**

Contractor shall not use any consideration received under the Agreement to hinder, or to further, organization of, or collective bargaining activities by or on behalf of the Contractor's employees, except that this restriction shall not apply to any expenditure made in the course of good faith collective bargaining, or to any expenditure pursuant to obligations incurred under a bona fide collective bargaining Agreement, or which would otherwise be permitted under the provisions of the National Labor Relations Act."

6. Paragraph 80.0, FORCE MAJEURE, shall be added to Agreement to read as follows:

**"80.0 FORCE MAJEURE:**

80.1 Neither party shall be liable for such party's failure to perform its obligations under and in accordance with this Agreement, if such failure arises out of fires, floods, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by such party or any of such party's subcontractors), freight embargoes, or other similar events to those described above, but in every such case the failure to perform must be totally beyond the control and without any fault or negligence of such party (such events are referred to in this sub-paragraph as "force majeure events").

80.2 Notwithstanding the foregoing, a default by a subcontractor of Contractor shall not constitute a force majeure event, unless such default arises out of causes beyond the control of both



Contractor and such subcontractor, and without any fault or negligence of either of them. In such case, Contractor shall not be liable for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Contractor to meet the required performance schedule. As used in this sub-paragraph, the term "subcontractor" and "subcontractors" mean subcontractors at any tier.

80.3 In the event Contractor's failure to perform arises out of a force majeure event, Contractor agrees to use commercially reasonable best efforts to obtain goods or services from other sources, if applicable, and to otherwise mitigate the damages and reduce the delay caused by such force majeure event."

7. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its Chair and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.



ATTEST:

SACHI A. HAMAI

Executive Officer of the Board of Supervisors of the County of Los Angeles

By: \_\_\_\_\_

Deputy

APPROVED AS TO FORM  
BY THE OFFICE OF THE COUNTY COUNSEL:

By: \_\_\_\_\_

County Counsel

APPROVED AS TO CONTRACT  
ADMINISTRATION:

Department of Health Services

By: \_\_\_\_\_

Cara O'Neill, Chief  
Contracts and Grants Division

AMENDHDS6.amb  
03/20/08

COUNTY OF LOS ANGELES

By: \_\_\_\_\_

Chair, Board of Supervisors

MORRISON MANAGEMENT SPECIALISTS,  
INC., dba MORRISON HEALTH CARE,  
INC.

Contractor

By: \_\_\_\_\_

Title: \_\_\_\_\_

I hereby certify that pursuant to  
Section 25103 of the Government Code,  
delivery of this document has been made.

SACHI A. HAMAI  
Executive Officer  
Clerk of the Board of Directors

By: \_\_\_\_\_

Deputy

**ADOPTED**  
BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

18

MAY 20 2008

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

18 of MAY 20 2008

73378 Supplement No. 3

SCHEDULE 6

HIGH DESERT HEALTH SYSTEMS  
MORRISON MANAGEMENT SPECIALISTS, INC. DBA  
MORRISON HEALTH CARE, INC.  
DIETARY CONTRACT

CONTRACTOR'S BUDGET AND COUNTY'S CHARGE SCHEDULE  
July 1, 2008 to December 31, 2008  
SIX MONTH BUDGET

Labor Costs: Management and Clinical Labor	\$29,379
Labor Costs: Hourly staff	\$53,676
Food Cost	\$16,722
Materials	\$10,736
Equipment purchase/lease & service contracts	\$275
Utilities	\$0
Maintenance	\$0
Total Management Fee & Administrative Costs	\$6,647
<b>Total Direct and Indirect Costs</b>	<b>\$117,435</b>
<b>Guaranteed Retail Revenue Credit</b>	<b>-\$47,946</b>
<b>A. Contractor's Six Month Budget Schedule</b>	<b>\$69,489</b>
B. Incidental Supplies	\$1,082
C. Special Functions	\$2,341
D. Ordinance Meals	\$3,077
<b>E. Contractor's Total Six-Month Budget Schedule</b>	<b>\$75,989</b>
Basic Monthly Charge	\$19,573
Guaranteed Retail Revenue Credit (1/12 of annual amount)	-\$7,991
<b>Net Basic Monthly Charge</b>	<b>\$11,582</b>

Title 2 ADMINISTRATION  
Chapter 2.201 LIVING WAGE PROGRAM

Page 1 of 5

**2.201.010 Findings.**

The board of supervisors finds that the county of Los Angeles is the principal provider of social and health services within the county, especially to persons who are compelled to turn to the county for such services. Employers' failure to pay a living wage to their employees causes them to use such services thereby placing an additional burden on the county of Los Angeles. (Ord. 2007-0011 § 1, 2007: Ord. 99-0048 § 1 (part), 1999.)

**2.201.020 Definitions.**

The general definitions contained in Chapter 2.02 shall be applicable to this chapter unless inconsistent with the following definitions:

A. "County" includes the county of Los Angeles, any county officer or body, any county department head, and any county employee authorized to enter into a Proposition A contract or a cafeteria services contract with an employer.

B. "Employee" means any individual who is an employee of an employer under the laws of California, and who is providing full time services to an employer, some or all of which are provided to the county of Los Angeles under a Proposition A contract, or under a cafeteria services contract at a county of Los Angeles owned or leased facility.

C. "Employer" means:

1. An individual or entity who has a contract with the county:

a. For services which is required to be more economical or feasible under Section 44.7 of the Charter of the county of Los Angeles, and is not listed as an excluded contract in Section 2.121.250 B of the Los Angeles County Code, referred to in this chapter as a "Proposition A contract," or

b. For cafeteria services, referred to in this chapter as a "cafeteria services contract," and

c. Who has received or will receive an aggregate sum of \$25,000.00 or more in any 12 month period under one or more Proposition A contracts and/or one or more cafeteria services contracts; or

2. An individual or entity that enters into a subcontract with an employer, as defined in subsection C1 and who employs employees to provide services under the employer's contract with the county.

D. "Full time" means a minimum 40 hours worked per week, or a lesser number of hours, if the lesser number is a recognized industry standard and is approved as such by the chief administrative officer, but in no event less than 35 hours worked per week.

E. "Proposition A contract" means a contract governed by Title 2, Section 2.121.250 et seq. of this code, entitled Contracting with Private Business. (Ord. 2007-0011 § 2, 2007: Ord. 99-0048 § 1 (part), 1999.)

Title 2 ADMINISTRATION  
Chapter 2.201 LIVING WAGE PROGRAM

Page 2 of 5

**2.201.030 Prospective effect.**

This chapter shall be applicable to Proposition A contracts and cafeteria services contracts and their amendments the terms of which commence three months or more after the effective date of this chapter.\* It shall not be applicable to Proposition A contracts or cafeteria services contracts or their amendments in effect before this chapter becomes applicable. (Ord. 99-0048 § 1 (part), 1999.)

\* **Editor's note:** Ordinance 99-0048, which enacted Ch. 2.201, is effective on July 22, 1999.

**2.201.040 Payment of living wage.**

A. Employers shall pay employees a living wage for their services provided to the county of no less than the hourly rates set under this chapter. The rates shall be \$9.64 per hour with health benefits, or \$11.84 per hour without health benefits.

B. To qualify for the living wage rate with health benefits, an employer shall pay at least \$2.20 per hour towards the provision of bona fide health care benefits for each employee and any dependents during the term of a Proposition A contract or a cafeteria services contract. Proof of the provision of such benefits must be submitted to the county for evaluation during the procurement process to qualify for the lower living wage rate in subsection A of this section. Employers who provide health care benefits to employees through the county department of health services community health plan are deemed to have qualified for the lower living wage rate in subsection A of this section.

C. The board of supervisors may, from time to time, adjust the amounts specified in subsections A and B of this section, above for future contracts. Any adjustments to the living wage rate specified in subsections A and B that are adopted by the board of supervisors shall be applicable to Proposition A contracts and cafeteria services contracts and their amendments which become effective three months or more after the effective date of the ordinance that adjusts the living wage rate. (Ord. 2007-0011 § 3, 2007: Ord. 99-0048 § 1 (part), 1999.)

**2.201.050 Other provisions.**

A. Full Time Employees. An employer shall assign and use full time employees to provide services under a Proposition A contract or a cafeteria services contract, unless the employer can demonstrate to the county the necessity to use non-full time employees based on staffing efficiency or the county requirements of an individual job.

B. Neutrality in Labor Relations. An employer shall not use any consideration received under a Proposition A contract or a cafeteria services contract to hinder, or to further, organization of, or collective bargaining activities by or on behalf of an employer's employees, except that this restriction shall not apply to any expenditure made in the course of good faith collective bargaining, or to any expenditure pursuant to obligations incurred under a bona fide collective bargaining agreement, or which would otherwise be permitted under the provisions of the National Labor Relations Act.

C. Administration. The chief administrative officer shall be responsible for the administration of this chapter. The chief administrative officer may, with the advice of county counsel, issue interpretations of the provisions of this chapter. The chief administrative officer in conjunction

Title 2 ADMINISTRATION  
Chapter 2.201 LIVING WAGE PROGRAM

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with the affirmative action compliance officer shall issue written instructions on the implementation and on-going administration of this chapter. Such instructions may provide for the delegation of functions to other county departments.

D. Compliance Certification. An employer shall, during the term of a Proposition A contract, or a cafeteria services contract, report for each employee and certify the hours worked, wages paid, and amounts the employer paid for health benefits, and provide other information deemed relevant to the enforcement of this chapter by the county. Such reports shall be made at the times and in the manner set forth in instructions issued by the chief administrative officer in conjunction with the affirmative action compliance officer. The affirmative action compliance officer in conjunction with the chief administrative officer shall report annually to the board of supervisors on contractor compliance with the provisions of this chapter.

E. Contractor Standards. An employer shall demonstrate during the procurement process and for the duration of a Proposition A contract or a cafeteria services contract a history of business stability, integrity in employee relations, and the financial ability to pay a living wage. (Ord. 99-0048 § 1 (part), 1999.)

**2.201.060 Employer retaliation prohibited.**

No employer shall take an adverse action causing a loss of any benefit of employment, of any contract benefit, or any statutory benefit to any employee, person, or other entity, who has reported a violation of this chapter to the board of supervisors or to one or more of their offices, to the county chief administrative officer, or to the county auditor controller, or to the county department administering the Proposition A contract or cafeteria services contract. (Ord. 99-0048 § 1 (part), 1999.)

**2.201.070 Employee retention rights.**

In the event that any Proposition A contract or cafeteria service contract is terminated by the county prior to its expiration, any new contract with a subsequent employer for such services shall provide for the employment of the predecessor employer's employees as provided in this section.

A. A "retention employee" is an employee of a predecessor employer:

1. Who is not an exempt employee under the minimum wage and maximum hour exemptions defined in the federal Fair Labor Standards Act;
2. Who has been employed by an employer under a predecessor Proposition A contract or a predecessor cafeteria services contract for at least six months prior to the date of a new contract; and
3. Who is or will be terminated from his or her employment as a result of the county entering into a new contract.

B. Subsequent employers shall offer employment to all retention employees who are qualified for such jobs.

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Chapter 2.201 LIVING WAGE PROGRAM

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C. A subsequent employer is not required to hire a retention employee who:

1. Has been convicted of a crime related to the job or his or her job performance; or
2. Fails to meet any other county requirement for employees of a contractor.

D. A subsequent employer may not terminate a retention employee for the first 90 days of employment under a new contract, except for cause. Thereafter a subsequent employer may retain a retention employee on the same terms and conditions as the subsequent employer's other employees. (Ord. 99-0048 § 1 (part), 1999.)

**2.201.080 Enforcement and remedies.**

For violation of any of the provisions of this chapter:

A. An employee may bring an action in the courts of the state of California for damages caused by an employer's violation of this chapter.

B. The county department head responsible for administering a Proposition A contract or a cafeteria services contract may do one or more of the following in accordance with such instructions as may be issued by the chief administrative officer:

1. Assess liquidated damages as provided in the contract; and/or
2. Recommend to the board of supervisors the termination of the contract; and/or
3. Recommend to the board of supervisors that an employer be barred from award of future county contracts for a period of time consistent with the seriousness of the employer's violation of this chapter, in accordance with Section 2.202.040 of this code. (Ord. 2007-0011 § 4, 2007; Ord. 99-0048 § 1 (part), 1999.)

**2.201.090 Exceptions.**

A. Other Laws. This chapter shall not be interpreted or applied to any employer or to any employee in a manner inconsistent with United States or California laws.

B. Collective Bargaining Agreements. Any provision of this chapter shall be superseded by a collective bargaining agreement that expressly so provides.

C. This chapter shall not be applied to any employer which is a nonprofit corporation qualified under Section 501(c)(3) of the Internal Revenue Code.

D. Small Businesses. This chapter shall not be applied to any employer which is a business entity organized for profit, including but not limited to any individual, partnership, corporation, joint venture, association or cooperative, which entity:

1. Is not an affiliate or subsidiary of a business dominant in its field of operation; and

Title 2 ADMINISTRATION  
Chapter 2.201 LIVING WAGE PROGRAM

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2. Has 20 or fewer employees during the contract period, including full time and part time employees; and
3. Does not have annual gross revenues in the preceding fiscal year which if added to the annual amount of the contract awarded exceed \$1,000,000.00; or
4. If the business is a technical or professional service, does not have annual gross revenues in the preceding fiscal year which if added to the annual amount of the contract awarded exceed \$2,500,000.00.

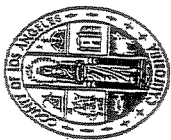
"Dominant in its field of operation" means having more than 20 employees, including full time and part time employees, and more than \$1,000,000.00 in annual gross revenues or \$2,500,000.00 in annual gross revenues if a technical or professional service.

"Affiliate or subsidiary of a business dominant in its field of operation" means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation. (Ord. 99-0055 § 1, 1999: Ord. 99-0048 § 1 (part), 1999.)

**2.201.100 Severability.**

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. 99-0048 § 1 (part), 1999.)





COUNTY OF LOS ANGELES  
LIVING WAGE ORDINANCE

MONTHLY CERTIFICATION FOR APPLICABLE HEALTH BENEFIT PAYMENTS

Instruction Box: Please complete all sections of this form.  
(Information to complete this form can be obtained from your  
weekly certified payroll reports) Submit this form with your  
Certified Payroll Reports to the awarding County department.  
Be sure to complete and sign the reverse side of this form  
before submitting.

(1) Name: Contractor <input type="checkbox"/> Subcontractor <input type="checkbox"/>		Address: (Street, City, State, Zip)						
(2) Payroll No.:		(4) From payroll period: / / to payroll period: / /						
(3) Work Location:		(5) For Month Ending: / /						
(6) Department Name:		(8) Contract Name & Number:						
(7) Contractor Health Plan Name(s):		(9) Contractor Health Plan ID Number(s):						
(11) Employee Name, Address & Last 4 digits of SSN	(12) Work Classification	(13) Total Hours Worked Each Week of Monthly Pay Period	(14) Total Aggregate Hours	(15) Employee Paid Health Benefit Hourly Rate	(16) Gross Amount Paid (14x15)	(17) Employee Paid Health Benefit Hourly Rate	(18) Gross Amount Paid (14x17)	(19) Aggregate Health Benefit Paid (16+18)
1		1 2 3 4 5						
2								
3								
4								
5								
I have reviewed the information in this report and as company owner or authorized agent for this company, I sign under penalty of perjury certifying that all information herein is complete and correct.		Total (This Page)		Grand Total (All Pages)				
Print Authorized Name:		Date: / /		Title:		Telephone Number (include area code)		
Authorized Signature:						Page: of		

**COUNTY OF LOS ANGELES  
LIVING WAGE PROGRAM**

**PAYROLL STATEMENT OF COMPLIANCE**

I, \_\_\_\_\_, \_\_\_\_\_  
(Name of Owner or Company Representative) (Title)

Do hereby state:

1. That I pay or supervise the payment of the persons employed by \_\_\_\_\_ on the \_\_\_\_\_;  
(Company or subcontractor Name) (Service, Building or Work Site)  
 that during the payroll period commencing on the \_\_\_\_\_ day of \_\_\_\_\_, and  
(Calendar day of Month) (Month and Year)  
 ending the \_\_\_\_\_ day of \_\_\_\_\_ all persons employed on said work site  
(Calendar day of Month) (Month and Year)  
 have been paid the full weekly wages earned, that no rebates have been or will be made either directly or indirectly to or on behalf of \_\_\_\_\_  
(Company Name)

from the full weekly wages earned by any person and that no deductions have been made either directly or indirectly from the full wages earned by any person, other than permissible deductions as defined in Regulations, Part 3 (29 CFR Subtitle A), issued by the Secretary of Labor under the Copeland Act, as amended (48 Stat. 948, 63 Stat. 108, 72 Stat. 357; 40 U.S.C. 276c), and described below:


2. That any payrolls otherwise under this contract required to be submitted for the above period are correct and complete; that the wage rates for employees contained therein are not less than the applicable County of Los Angeles Living Wage rates contained in the contract.

3. That:

A. WHERE FRINGE (Health) BENEFITS ARE PAID TO APPROVED PLANS, FUNDS OR PROGRAMS

- ☐ In addition to the basic hourly wage rates paid to each employee listed in the above referenced payroll, payments of health benefits as required in the contract have been or will be paid to appropriate programs for the benefit of such employees.

B. WHERE FRINGE (Health) BENEFITS ARE PAID IN CASH

- ☐ Each employee listed in the above referenced payroll has been paid, as indicated on the payroll, an amount not less than the applicable amount of the required County of Los Angeles Living Wage hourly rate as listed in the contract.

I have reviewed the information in this report and as company owner or authorized agent for this company, I sign under penalty of perjury certifying that all information herein is complete and correct.

Print Name and Title

Owner or Company Representative Signature:

THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT THE CONTRACTOR OR SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION. IN ADDITION, THE CONTRACTOR OR SUBCONTRACTOR MAY BE SUBJECT TO PENALTY UNDER THE CALIFORNIA PENALTY LAWS.